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Pension Benefit Guaranty Corporation

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PENSION BENEFIT GUARANTY CORPORATION (PBGC)**PENSION BENEFIT GUARANTY CORPORATION****29 CFR Ch. XXVI****Agenda of Regulations Under Development**

AGENCY: Pension Benefit Guaranty Corporation (PBGC).

ACTION: Agenda of regulations.

SUMMARY: This document sets forth the Pension Benefit Guaranty Corporation's regulatory agenda issued under Executive Order 12866 and the Regulatory Flexibility Act. The agenda lists regulations that are currently under development or review or that PBGC expects to have under development or review during the next 12 months. The effect of this agenda is to advise the public of PBGC's current and future regulatory activities.

ADDRESSES: Office of the General Counsel, Pension Benefit Guaranty Corporation, 1200 K Street NW., Washington, DC 20005-4026.

FOR FURTHER INFORMATION CONTACT: For further information on the agenda in general, contact Harold J. Ashner, Assistant General Counsel, Office of the General Counsel, (202) 326-4024. For information about a specific regulation project listed on the agenda, contact the person designated in the agenda for that regulation.

SUPPLEMENTARY INFORMATION: Under the President's order on Regulatory Planning and Review, Executive Order 12866 (58 FR 51735, October 4, 1993), each agency is required to prepare an agenda of all regulations under development or review. The Regulatory Flexibility Act, Public Law 98-354, 5 U.S.C. 601, has a similar agenda requirement. Under that law, the agenda

must list any regulation that is likely to have a significant economic impact on a substantial number of small entities.

The Office of Management and Budget has issued guidelines prescribing the form and content of the regulatory agenda. Under those guidelines, the agenda must list all regulatory activities being conducted or reviewed in the next 12 months and provide certain specified information on each regulation. All of the items on this agenda are current or projected rulemakings.

This edition of the Unified Agenda of Federal Regulations includes The Regulatory Plan, which appears in Part II of this issue of the Federal Register. The Pension Benefit Guaranty Corporation's Statement of Regulatory Priorities is included in Part II.

Martin Slate,

Executive Director, Pension Benefit Guaranty Corporation.

Proposed Rule Stage

Sequence Number	Title	Regulation Identifier Number
4123	Mergers and Transfers Between Multiemployer Plans	1212-AA69
4124	Financial Assistance to Multiemployer Plans	1212-AA74
4125	Disclosure and Amendment of Records Under the Privacy Act	1212-AA63
4126	Submission of Premium-Related Information	1212-AA66
4127	Guaranteed Benefits	1212-AA76
4128	Reinvention	1212-AA83
4129	Calculation and Payment of Unfunded Nonguaranteed Benefits (Reg Plan Seq. No. 143)	1212-AA54
4130	Amendments to Valuation of Plan Benefits (REA, SEPPAA, and PPA)	1212-AA55
4131	Miscellaneous Statutory Amendments	1212-AA79
4132	Reportable Event Requirements	1212-AA80
4133	Missing Participants	1212-AA81
4134	Standard Terminations	1212-AA82

References in boldface appear in the Regulatory Plan in Part II of this issue of the **Federal Register**.

Final Rule Stage

Sequence Number	Title	Regulation Identifier Number
4135	Payment of Premiums	1212-AA58
4136	Reorganizing and Renumbering of Regulations	1212-AA75
4137	Financial and Actuarial Information Reporting	1212-AA78

Long-Term Actions

Sequence Number	Title	Regulation Identifier Number
4138	Funds for Administrative Expenses of Section 4049 Trusts	1212-AA65
4139	Payment of Benefits in PBGC-Trusteed Plans	1212-AA35

PBGC**Completed Actions**

Sequence Number	Title	Regulation Identifier Number
4140	Tax Refund Offset	1212-AA72
4141	Annuity Contracts Distributed by Terminating Plans	1212-AA57
4142	Notice of State Guaranty Coverage of Annuities	1212-AA73
4143	Disclosure to Participants	1212-AA77

PENSION BENEFIT GUARANTY CORPORATION (PBGC)**Proposed Rule Stage****4123. MERGERS AND TRANSFERS BETWEEN MULTIEMPLOYER PLANS****Priority:** Substantive, Nonsignificant**Legal Authority:** 29 USC 1302(b)(3); 29 USC 1411**CFR Citation:** 29 CFR 2672**Legal Deadline:** None

Abstract: ERISA section 4231 sets basic guidelines for mergers and transfers between multiemployer plans, including a provision for a 120-day notice to the PBGC. The PBGC's regulation on Mergers and Transfers Between Multiemployer Plans contains implementing rules. Neither the statute nor the regulation makes clear whether or how the merger and transfer rules apply where one or more of the plans involved is terminated. This regulation would amend 29 CFR part 2672 to clarify its application to mergers and transfers involving one or more terminated multiemployer plans and to specify the criteria that a merger or transfer involving terminated plans must satisfy in order to protect participants and beneficiaries in the affected plans, as well as the PBGC, from risk of loss as a result of the merger or transfer. The regulation would also liberalize the 120-day notice requirement for all multiemployer mergers and transfers so that such transactions can proceed more expeditiously.

Timetable:

Action	Date	FR Cite
NPRM	04/00/96	

Small Entities Affected: None**Government Levels Affected:** None

Agency Contact: Deborah C. Murphy, Attorney, Pension Benefit Guaranty Corporation, Office of the General Counsel, 1200 K St. NW., Washington, DC 20005-4026

Phone: 202 326-4024

RIN: 1212-AA69**4124. FINANCIAL ASSISTANCE TO MULTIEMPLOYER PLANS****Priority:** Substantive, Nonsignificant**Legal Authority:** 29 USC 1302(b)(3); 29 USC 1431**CFR Citation:** Not yet determined**Legal Deadline:** None

Abstract: ERISA section 4261(a) provides that the PBGC shall pay financial assistance to insolvent multiemployer plans described in sections 4245(f) and 4281(d) who submit an application for the payment of assistance. The PBGC's regulation on Powers and Duties of Plan Sponsor of Plan Terminated by Mass Withdrawal (29 CFR part 2675) specifies the information that plans described in section 4281(d) (i.e., a plan terminated by the withdrawal of all employers) are required to submit in their application for financial assistance; however, the PBGC has not prescribed regulations specifying the information that a plan subject to section 4245(f) (i.e., a plan that has not terminated by the withdrawal of all employers) is required to file. This regulation would, among other things, (1) specify the information for applications for financial assistance from plans described in section 4245(f); (2) incorporate and revise, as appropriate, the requirements in 29 CFR part 2675 that relate to applications for financial assistance for plans described in section 4281(d); and (3) specify the obligation of the sponsor of a plan that has applied for financial assistance to maintain and make available to the PBGC plan records and other information necessary for the PBGC to determine the plan's eligibility for

financial assistance and where assistance has been provided, that such funds have been used solely for the purposes of paying guaranteed benefits and reasonable administrative expenses.

Timetable:

Action	Date	FR Cite
NPRM	05/00/96	
NPRM Comment Period End	07/00/96	

Small Entities Affected: None**Government Levels Affected:** None

Agency Contact: Deborah C. Murphy, Attorney, Pension Benefit Guaranty Corporation, Office of the General Counsel, 1200 K St. NW., Washington, DC 20005-4026
Phone: 202 326-4024

RIN: 1212-AA74**4125. DISCLOSURE AND AMENDMENT OF RECORDS UNDER THE PRIVACY ACT****Priority:** Other**Legal Authority:** 5 USC 552a**CFR Citation:** 29 CFR 2607**Legal Deadline:** None

Abstract: The PBGC is dividing one of its systems of records that are subject to the Privacy Act into two systems, and therefore proposing to amend its regulations to describe accurately the pertinent exemption from statutory provisions under the systems of records as so modified. In addition, the PBGC is proposing amendments to reflect its current organization and to increase its standard copying fee (which has not been modified since 1975). The proposed rule also will include several editorial changes.

PBGC

Proposed Rule Stage

Timetable:

Action	Date	FR Cite
NPRM	11/00/95	
NPRM Comment	12/00/95	
Period End		

Small Entities Affected: None**Government Levels Affected:** None**Agency Contact:** Bruce Campbell, Attorney, Pension Benefit Guaranty Corporation, Office of the General Counsel, 1200 K St. NW., Washington, DC 20005-4026

Phone: 202 326-4024

RIN: 1212-AA63**4126. SUBMISSION OF PREMIUM-RELATED INFORMATION****Priority:** Substantive, Nonsignificant**Legal Authority:** 29 USC 1302(b)(3); 29 USC 1306; 29 USC 1307**CFR Citation:** 29 CFR 2610**Legal Deadline:** None

Abstract: The PBGC's regulation on Payment of Premiums (29 CFR part 2610) currently requires plan administrators to retain, for six years, all records necessary to support or validate premium payments and to make those records available to the PBGC, upon request, for inspection and photocopying. The PBGC intends to propose amendments to provide for the submission to the PBGC of information in those records and for the supplementation of information submitted in premium filings. By improving the PBGC's ability to tailor its decisionmaking to the variety of situations presented by the administration of premium requirements, the PBGC expects these changes to increase the agency's efficiency and effectiveness.

Timetable:

Action	Date	FR Cite
NPRM	02/00/96	
NPRM Comment	04/00/96	
Period End		

Small Entities Affected: None**Government Levels Affected:** None**Agency Contact:** Deborah Murphy, Attorney, Pension Benefit Guaranty Corporation, Office of the General Counsel, 1200 K St. NW., Washington, DC 20005-4026

Phone: 202 326-4024

RIN: 1212-AA66**4127. GUARANTEED BENEFITS****Priority:** Substantive, Nonsignificant**Legal Authority:** 29 USC 1302(b)(3); 29 USC 1322**CFR Citation:** 29 CFR 2613**Legal Deadline:** None

Abstract: Under ERISA section 4022, the PBGC guarantees the payment of certain nonforfeitable benefits under single-employer plans that terminate without sufficient assets to fund such benefits. Part 2613 of the PBGC's regulations describes the benefits that are guaranteed, the limitations on the guarantee, and the manner in which guaranteed benefits are paid.

This regulation would amend part 2613 to make it clear the PBGC determines whether a participant is entitled to a guarantee of his or her benefit under a terminated plan based on the participant's age, length of service, disability, or death as of the plan's termination date, rather than as of the day before that date.

Timetable:

Action	Date	FR Cite
NPRM	04/00/96	
NPRM Comment	06/00/96	
Period End		

Small Entities Affected: None**Government Levels Affected:** None**Agency Contact:** Peter H. Gould, Senior Counsel, Pension Benefit Guaranty Corporation, Office of the General Counsel, 1200 K Street NW., Washington, DC 20005-4026

Phone: 202 326-4116

RIN: 1212-AA76**4128. • REINVENTION****Priority:** Other

Reinventing Government: This rulemaking is part of the Reinventing Government effort. It will revise text in the CFR to reduce burden or duplication, or streamline requirements.

Legal Authority: 29 USC 1302(b)(3)**CFR Citation:** 29 CFR 2601 to 2677**Legal Deadline:** None

Abstract: Consistent with the President's Regulatory Reinvention Initiative, the PBGC has reviewed all of its regulations to determine whether they can be simplified or updated. The PBGC intends to make appropriate

changes to its regulations to reflect the results of this review.

Timetable:

Action	Date	FR Cite
NPRM	02/00/96	
NPRM Comment	04/00/96	
Period End		

Small Entities Affected: None**Government Levels Affected:** None**Agency Contact:** Marc L. Jordan, Attorney, Pension Benefit Guaranty Corporation, Office of the General Counsel, 1200 K Street NW., Washington, DC 20005-4026

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RIN: 1212-AA83**4129. CALCULATION AND PAYMENT OF UNFUNDED NONGUARANTEED BENEFITS**

Regulatory Plan: This entry is Seq. No. 143 in Part II of this issue of the Federal Register.

RIN: 1212-AA54**4130. AMENDMENTS TO VALUATION OF PLAN BENEFITS (REA, SEPPAA, AND PPA)****Priority:** Substantive, Nonsignificant

Reinventing Government: This rulemaking is part of the Reinventing Government effort. It will revise text in the CFR to reduce burden or duplication, or streamline requirements.

Legal Authority: 29 USC 1302(b)(3); 29 USC 1341**CFR Citation:** 29 CFR 2619**Legal Deadline:** None

Abstract: The Retirement Equity Act of 1984 ("REA") requires plans to provide certain benefits, prohibits the elimination of benefit options and certain early retirement benefits and retirement type subsidies, and mandates the range of interest rates that may be used in calculating the amount of a non-consensual lump sum benefit. The Tax Reform Act of 1986 ("TRA '86") slightly modified the interest rate restrictions and extended them to the calculation of all lump sum benefits.

These rules necessitate several amendments to the PBGC's valuation of benefits regulation (29 CFR part 2619).

PBGC**Proposed Rule Stage**

The PBGC also plans to amend the regulation to reflect changes in the termination rules made by the Single-Employer Pension Plan Amendments Act of 1986 (SEPPAA) and the Pension Protection Act of 1987 (PPA).

Timetable:

Action	Date	FR Cite
NPRM	02/00/96	
NPRM Comment Period End	04/00/96	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Peter H. Gould, Senior Counsel, Pension Benefit Guaranty Corporation, Office of the General Counsel, 1200 K St. NW., Washington, DC 20005-4026
Phone: 202 326-4116

RIN: 1212-AA55

4131. MISCELLANEOUS STATUTORY AMENDMENTS

Priority: Substantive, Nonsignificant

Reinventing Government: This rulemaking is part of the Reinventing Government effort. It will revise text in the CFR to reduce burden or duplication, or streamline requirements.

Legal Authority: 29 USC 1301 et seq

CFR Citation: Not yet determined

Legal Deadline: None

Abstract: Statutory amendments to various provisions of ERISA have modified rules that underlie certain PBGC regulations. The PBGC has undertaken several projects that address the effects of a number of these amendments. This rulemaking will address others. In particular, it will amend the regulations to reflect changes made by the Retirement Protection Act of 1994 that are not the subject of other PBGC rulemakings. These include amendments to the rules for determining the variable rate portion of the premium payable by certain single-employer plans (see ERISA section 4006(a)(3)) and to the rules under which the PBGC issues notices of noncompliance with standard termination requirements (see ERISA section 4041(b)(2)).

Timetable:

Action	Date	FR Cite
NPRM	02/00/96	
NPRM Comment Period End	04/00/96	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Marc L. Jordan, Attorney, Office of the General Counsel, Pension Benefit Guaranty Corporation, 1200 K Street NW., Washington, DC 20005-4026
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RIN: 1212-AA79

4132. REPORTABLE EVENT REQUIREMENTS

Priority: Substantive, Nonsignificant

Reinventing Government: This rulemaking is part of the Reinventing Government effort. It will revise text in the CFR to reduce burden or duplication, or streamline requirements.

Legal Authority: 29 USC 1302(b)(3); 29 USC 1343

CFR Citation: 29 CFR 2615 subpart A

Legal Deadline: None

Abstract: The Retirement Protection Act of 1994 amended the reportable event requirements in ERISA section 4043 by: (1) applying to contributing sponsors (as well as plan administrators) the requirement to notify the PBGC of a reportable event within 30 days after a person knows or has reason to know of its occurrence; (2) specifying four additional types of events for which notice is required (except as waived by the PBGC); and (3) requiring that, under limited circumstances, a contributing sponsor must notify the PBGC in advance of the occurrence of an event specified in the RPA or prescribed by PBGC regulations. This rule will amend the PBGC's reportable event regulations to implement these statutory changes. The rulemaking will also consider when notice should be required in various situations that may indicate the need to terminate a plan.

Timetable:

Action	Date	FR Cite
Notice of Intent (Negotiated Rulemaking)	08/11/95	60 FR 41033

Action	Date	FR Cite
Notice of Intent Comment/ Application Period End	09/15/95	
Notice of First Meeting (Negotiated Rulemaking)	09/26/95	60 FR 49531
Notice of Establishment of Negotiated Rulemaking Advisory Committee	10/05/95	60 FR 52135
NPRM	04/00/96	
NPRM Comment Period End	06/00/96	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: James L. Beller, Attorney, Office of the General Counsel, Pension Benefit Guaranty Corporation, 1200 K Street NW., Washington, DC 20005-4026
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RIN: 1212-AA80

4133. MISSING PARTICIPANTS

Priority: Other Significant

Legal Authority: 29 USC 1302(b); 29 USC 1350

CFR Citation: Not yet determined

Legal Deadline: None

Abstract: ERISA section 4050, added by the Retirement Protection Act of 1994, provides for a procedure whereby the plan administrator of a terminating single-employer plan could give the PBGC information about any missing participant and either transfer the participant's benefits to the PBGC or annuitize the benefits, and the PBGC would pay the benefits, or give the participant the information needed to obtain payment of the annuity, if and when the participant was located or reappeared. The PBGC is required to issue implementing regulations covering the amount to be paid by the plan to the PBGC and by the PBGC to the participant as well as what steps plan administrators are to take in searching for participants. The purpose of the proposed regulations is to provide standards and procedures for carrying out the new missing participants provision.

Timetable:

Action	Date	FR Cite
NPRM	08/24/95	60 FR 44158

PBGC**Proposed Rule Stage**

Action	Date	FR Cite
NPRM Comment Period End	10/10/95	
Final Action	12/00/95	
Final Action Effective	01/00/96	

Small Entities Affected: None**Government Levels Affected:** None

Agency Contact: Deborah C. Murphy, Attorney, Office of the General Counsel, Pension Benefit Guaranty Corporation, 1200 K Street NW., Washington, DC 20005-4026
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RIN: 1212-AA81**4134. • STANDARD TERMINATIONS****Priority:** Substantive, Nonsignificant**Reinventing Government:** This rulemaking is part of the Reinventing

Government effort. It will revise text in the CFR to reduce burden or duplication, or streamline requirements.

Legal Authority: 29 USC 1302(b)(3); 29 USC 1341**CFR Citation:** 29 CFR 2617**Legal Deadline:** None

Abstract: The PBGC's standard termination regulations (29 CFR part 2617) provide rules and procedures plan administrators must follow to terminate a defined benefit pension plan that has sufficient assets to pay all benefit obligations to participants at the time of termination. The PBGC is reviewing experience under this regulation to determine whether the procedures and time periods for

processing a standard termination are appropriate.

Timetable:

Action	Date	FR Cite
NPRM	02/00/96	
NPRM Comment Period End	03/00/96	

Small Entities Affected: None**Government Levels Affected:** None

Agency Contact: Catherine B. Klion, Attorney, Pension Benefit Guaranty Corporation, Office of the General Counsel, 1200 K Street NW., Washington, DC 20005-4026
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RIN: 1212-AA82**PENSION BENEFIT GUARANTY CORPORATION (PBGC)****Final Rule Stage****4135. PAYMENT OF PREMIUMS****Priority:** Other Significant

Reinventing Government: This rulemaking is part of the Reinventing Government effort. It will revise text in the CFR to reduce burden or duplication, or streamline requirements.

Legal Authority: 29 USC 1302(b)(3); 29 USC 1306; 29 USC 1307**CFR Citation:** 29 CFR 2610**Legal Deadline:** None

Abstract: Under sections 4006 and 4007 of ERISA, the PBGC has issued its regulation governing the payment of premiums for pension plans subject to Title IV of ERISA (29 CFR part 2610). PBGC studies of ways to simplify premium calculation and filing and to improve premium processing and accounting by PBGC have yielded suggestions for changes in that regulation. As a result, the PBGC has issued a proposed regulation to implement certain changes, relating mainly to filing due dates, treatment of short plan years, simplification of the alternative calculation method, and premium payment requirements for large plans (including what plans are considered large plans for this purpose). The purpose of the changes would be primarily to simplify the

premium payment system for plans and the PBGC.

Timetable:

Action	Date	FR Cite
NPRM	04/10/92	57 FR 12666
NPRM Comment Period End	05/26/92	
NPRM Comment Period Extended to	09/17/92	57 FR 42910
Final Action	11/16/92	
	02/00/96	

Small Entities Affected: None**Government Levels Affected:** None

Agency Contact: Deborah Murphy, Attorney, Pension Benefit Guaranty Corporation, Office of the General Counsel, 1200 K St. NW., Washington, DC 20005-4026
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RIN: 1212-AA58**4136. REORGANIZING AND RENUMBERING OF REGULATIONS****Priority:** Other

Reinventing Government: This rulemaking is part of the Reinventing Government effort. It will revise text in the CFR to reduce burden or duplication, or streamline requirements.

Legal Authority: 29 USC 1301 et seq**CFR Citation:** 29 CFR ch XXVI; 29 CFR ch XL**Legal Deadline:** None

Abstract: This rule will reorganize and renumber the PBGC's regulations to track the statutory provisions to which they relate so as to make it easier for the public to locate regulations implementing particular statutory provisions. The other agencies with significant regulatory responsibilities in the pension area (the Internal Revenue Service and the Department of Labor) already track statutory provisions in numbering their regulations, and practitioners are therefore accustomed to searching for pension regulations under statute-based numbering systems.

Timetable:

Action	Date	FR Cite
Notice of Intent to Renumber Regulations	07/08/94	59 FR 35067
Notice of Intent Comment Period End	09/06/94	
Final Action	02/00/96	
Final Action Effective	03/00/96	

Small Entities Affected: None**Government Levels Affected:** None

Agency Contact: Marc L. Jordan, Attorney, Pension Benefit Guaranty Corporation, Office of the General

PBGC**Final Rule Stage**

Counsel, 1200 K Street NW.,
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Phone: 202 326-4024

RIN: 1212-AA75

4137. FINANCIAL AND ACTUARIAL INFORMATION REPORTING

Priority: Other Significant

Legal Authority: 29 USC 1302(b)(3); 29 USC 1310

CFR Citation: Not yet determined

Legal Deadline: None

Abstract: ERISA section 4010, added by the Retirement Protection Act of 1994, requires that contributing sponsors of certain underfunded single-employer plans and members of their

controlled groups provide the PBGC, annually by a date specified in PBGC regulations, with: (1) records, documents, or other information that PBGC regulations specify as necessary to determine the liabilities and assets of plans covered by the termination insurance program, and (2) copies of their financial statements and other financial information as PBGC regulations may prescribe. This rule will include the implementing regulations anticipated by section 4010. The rulemaking will address many of the same types of information as would be addressed in the PBGC's separate rulemaking on plan funding information (see RIN 1212-AA70), and the PBGC has therefore decided not to

proceed at this time with that separate rulemaking.

Timetable:

Action	Date	FR Cite
NPRM	07/06/95	60 FR 35308
NPRM Comment Period End	09/05/95	
Final Action	12/00/95	
Final Action Effective	01/00/96	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Frank H. McCulloch, Senior Counsel, Pension Benefit Guaranty Corporation, 1200 K Street NW., Washington, DC 20005-4026
Phone: 202 326-4026

RIN: 1212-AA78

PENSION BENEFIT GUARANTY CORPORATION (PBGC)**Long-Term Actions**

4138. FUNDS FOR ADMINISTRATIVE EXPENSES OF SECTION 4049 TRUSTS

Priority: Substantive, Nonsignificant

CFR Citation: 29 CFR 2626

Timetable:

Action	Date	FR Cite
NPRM	00/00/00	
NPRM Comment Period End	00/00/00	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Thomas H. Gabriel
Phone: 202 326-4023

RIN: 1212-AA65

4139. PAYMENT OF BENEFITS IN PBGC-TRUSTEED PLANS

Priority: Substantive, Nonsignificant

CFR Citation: 29 CFR 2624

Timetable: Next Action Undetermined

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Peter H. Gould
Phone: 202 326-4116

RIN: 1212-AA35

PENSION BENEFIT GUARANTY CORPORATION (PBGC)**Completed Actions**

4140. TAX REFUND OFFSET

Priority: Other

Legal Authority: 29 USC 1302(b)(3); 31 USC 3701; 31 USC 3720A

CFR Citation: 29 CFR 2606; 29 CFR 2609

Legal Deadline: None

Abstract: Tax refund offset (i.e., referral of debts to the Internal Revenue Service to be offset against Federal tax refunds) may be an effective tool for collecting debts such as premium payment deficiencies, benefit overpayments, and employer liability. The PBGC rule enables it to participate in the Federal tax refund offset program.

Timetable:

Action	Date	FR Cite
Interim Final Rule	12/06/94	59 FR 62571
Interim Final Rule Effective	01/05/95	59 FR 62571
Interim Final Rule Comment Period End	02/06/95	
Final Action	08/04/95	60 FR 39848
Final Action Effective	08/04/95	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Catherine B. Klion, Attorney, Pension Benefit Guaranty Corporation, Office of the General Counsel, 1200 K Street NW., Washington, DC 20005-4026
Phone: 202 326-4024

RIN: 1212-AA72

4141. ANNUITY CONTRACTS DISTRIBUTED BY TERMINATING PLANS

Priority: Substantive, Nonsignificant

Legal Authority: 29 USC 1302(b); 29 USC 1341(b)

CFR Citation: 29 CFR 2617

Legal Deadline: None

Abstract: ERISA section 4041(b) requires terminating plans to provide benefits that are payable in annuity form by purchasing and distributing to plan participants (or beneficiaries) irrevocable commitments from an insurer to pay the annuity benefits. Once the final distribution of assets in accordance with section 4041(b) is completed, PBGC's guarantee under ERISA section 4022 is extinguished.

PBGC

Completed Actions

Under ERISA section 4041(b), the only specific requirement dealing with irrevocable commitments distributed upon plan termination is that they be purchased from a licensed insurance company. (Such purchases are, of course, subject generally to the fiduciary provisions of Title I of ERISA.) Publicity about financial problems within the insurance industry and, specifically, about the serious problems of a few insurers, has sparked concerns about the security of pension annuities that are being, or will be, paid by an insurer pursuant to an irrevocable commitment. PBGC (with the Department of Labor) has been studying this issue.

As part of this ongoing study, PBGC issued an ANPRM in order to solicit comments and suggestions from the public.

Timetable:

Action	Date	FR Cite
ANPRM	06/21/91	56 FR 28642
Withdrawn - DOL Interpretive Bulletin 95-1 addresses issues	09/27/95	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Charles W. Vernon, Assistant General Counsel, Pension Benefit Guaranty Corporation, Office of the General Counsel, 1200 K Street NW., Washington, DC 20005-4026
Phone: 202 326-4125

RIN: 1212-AA57

4142. NOTICE OF STATE GUARANTY COVERAGE OF ANNUITIES

Priority: Substantive, Nonsignificant

Legal Authority: 29 USC 1302(b)(3); 29 USC 1341; 29 USC 1344

CFR Citation: 29 CFR 2617

Legal Deadline: None

Abstract: Under title IV of ERISA, a single-employer plan covered by the

termination insurance program may terminate in a "standard termination" if the plan has assets sufficient to provide for all benefit liabilities under the plan. The termination process is complete, and the PBGC's guarantee is extinguished, once the plan administrator distributes benefit liabilities by purchasing "irrevocable commitments" (annuity contracts) from an insurer or by distributing benefits in any other permitted form (generally a lump sum cash payment). The recent and highly publicized financial difficulties of certain insurers have focused public attention on the risks faced by participants whose benefits under terminating plans are to be provided through irrevocable commitments issued by such insurers. Under certain circumstances, state guaranty associations may provide some or all of the benefits otherwise lost. Nevertheless, some participants may not know (1) which state guaranty association(s) (if any) cover(s) their annuities, (2) the amount of coverage by the guaranty association(s), and (3) that a change in state of residence can alter their coverage. This regulation would require plan administrators to provide certain information to participants about state guaranty coverage.

Timetable:

Action	Date	FR Cite
Merged With RIN 1212-AA83 (Standard Terminations)	09/27/95	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Charles W. Vernon, Assistant General Counsel, Pension Benefit Guaranty Corporation, Office of the General Counsel, 1200 K St. NW., Washington, DC 20005-4026
Phone: 202 326-4125

RIN: 1212-AA73

4143. DISCLOSURE TO PARTICIPANTS

Priority: Other Significant

Legal Authority: 29 USC 1302(b); 29 USC 1311

CFR Citation: 29 CFR 2627

Legal Deadline: None

Abstract: The Retirement Protection Act of 1994 added section 4011 of ERISA, which requires plan administrators of certain underfunded plans to provide notice to plan participants and beneficiaries of the plan's funding status and the limits on the PBGC's guarantee should the plan terminate while underfunded. The PBGC regulations interpret the new statutory provision and prescribe the time, form, and manner in which the notice is to be provided. The purpose of the regulations is to ensure that participants and beneficiaries in underfunded plans are provided with meaningful, understandable, and timely information about their plan's funding status and their potential exposure in the event their plan terminates.

Timetable:

Action	Date	FR Cite
NPRM	03/28/95	60 FR 16026
NPRM Comment Period End	04/27/95	60 FR 16026
Final Action	06/30/95	60 FR 34412
Final Rule Correction	07/09/95	60 FR 36998
Final Action Effective	07/31/95	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Catherine B. Klion, Attorney, Pension Benefit Guaranty Corporation, Office of the General Counsel, 1200 K Street NW., Washington, DC 20005-4026
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RIN: 1212-AA77

[FR Doc. 95-26076 Filed 11-24-95; 8:45 am]

BILLING CODE 7708-01-F